

# **EXHIBIT 6**



ASCO Letter

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## Congress of the United States

Washington, DC 20515

July 28, 2000

The Honorable Donna E. Shalala  
Secretary, Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201

Dear Madame Secretary:

The primary responsibility of the Medicare program must be to ensure continuity of quality care to beneficiaries, and there are few categories of Medicare beneficiaries that are more vulnerable than those diagnosed with cancer. We are quite concerned that a recent administrative initiative by the Department of Health and Human Services may put Medicare beneficiaries with cancer unnecessarily at risk by denying adequate reimbursement for essential drug therapy. In light of the issues discussed below, we would hope that this action would be suspended to ensure that beneficiaries with cancer will be able to continue receiving quality care in a setting appropriate to their needs.

You have announced a plan to furnish Medicare carriers with drug prices from catalogues and group purchasing organization price lists to use instead of "average wholesale price," or AWP, for drugs reimbursed by Medicare. These data will result in a lower AWP than that currently reimbursed by the program.

These data do not take into account the fact that oncologists are chronically underpaid for their drug administration services in treating cancer patients a fact that is widely recognized, including in your letter announcing the plan to reduce reimbursement. If reimbursement for drugs is drastically reduced, many physicians will be unable to continue providing cancer care in their offices, and patients will be deprived of a humane, convenient and cost-effective treatment option.

It is important to recall that reimbursement for cancer drugs is an issue that has been repeatedly addressed by Congress over the past few years in order to respond to various Administration efforts to reduce reimbursement. Thus, Congress in 1997 instructed the Department to base reimbursement for drugs on 95% of AWP, a term widely understood and indeed defined by Department manuals to reference amounts reflected in specified



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publications. Later, Congress pegged reimbursement for drugs in the hospital outpatient setting to the same definition of AWP.

It is disturbing that the Department would now seek to circumvent those congressional actions by redefining AWP. We see no basis for such action in any of our previous legislation, and certainly the Department's unilateral declaration of a new definition of AWP, with no regulatory process, is inappropriate.

Medicare beneficiaries with cancer should feel confident that they will receive the care they need, in the setting they choose, without risk of arbitrary and unexpected reductions in reimbursement that may compel their doctors to refer them to a different facility for treatment.

Madame Secretary, we urge you, in the strongest possible terms, to reconsider this unilateral revision of reimbursement methodology that was endorsed by Congress for both physicians and hospital outpatient departments. Reductions in payment for chemotherapy drugs should be suspended until there has been a thorough study of the costs of administering chemotherapy in physician offices and Congress has had an opportunity to act upon that information.

Very truly yours,

Saxby Chambliss  
Van Hilleary  
Robin Hayes  
Mac Thornberry  
Brian Bilbray  
Ron Paul  
Sherwood Boehlert  
Michael McNulty  
Ciro Rodriguez  
Bob Ney  
Wes Watkins  
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